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SUBJECT: GERMAN MFA RESPONSE TO GAERC DEMARCHE

REF: A. STATE 141316
 [B.](#) BERLIN 1877
 [C.](#) BERLIN 1878

Classified By: Acting Political Counselor Jeffrey Rathke
for reasons 1.4 (b,d).

[¶1.](#) (SBU) Poloff and Econ Counselor met with German MFA and Economic Ministry officials respectively to discuss ref A. Deputy European Correspondent Thomas Schieb, who is responsible for overseeing the drafting of position papers for the MFA's use at the October 15-16 EU General Affairs and External Relations Council (GAERC), provided Poloff October 10 with the likely positions Germany will take at the GAERC as well as the likely conclusions to be announced by the EU Council at the end of the first meeting day, Monday, October [¶15](#). Following is a rendition of MFA's and MOE's major points regarding ref A.

WTO/DDA

[¶2.](#) (SBU) Economic Counselor and Econoff delivered ref A points on October 9 to Dr. Adrian Bothe, Head of Division for External Economic Policy/North America, and Dr. Heinz Hetmeier, Director of Trade Policy, of the Ministry of Economics. Hetmeier said the Portuguese presidency will raise the Doha Development Agenda perfunctorily, but German officials do not expect the GAERC to make a substantive contribution to the EU's negotiating stance. They believe, however, that the possibility remains to close the round with modalities by the end of 2007. Hetmeier said USTR Susan Schwab's recent commitment to negotiate on the basis of the WTO committees' texts is a positive step and is helping to quell rumors of alternative proposals. Hetmeier recommended the United States and EU continue their good cooperation to "shape the flexibilities" required to close the round and said Germany would explore all possibilities to do so in Geneva.

[¶3.](#) (SBU) Hetmeier was chiefly concerned by the reluctance of India, Brazil and Argentina to reduce industrial tariffs and by China's recent flirtation with the NAMA-11. Hetmeier said a Swiss formula coefficient higher than 20 for developing countries would make it difficult for Germany to gain industry's support because it would yield insufficient new market access for industrial goods. His latest reports from Geneva suggest Brazil insists the United States must cut its domestic support to a range between \$12.3 and \$12.7 billion, a level Germany acknowledges would be difficult for the United States to accept. He said German government contacts in Washington remain concerned about the mood in Congress.

Kosovo

¶4. (C) MFA Deputy European Correspondent Schieb told Poloff that while Germany and the EU still strongly support the Troika process, at the same time, they recognize that the Troika process will likely fail as of its December 10 deadline. Germany and the EU, therefore, see the need for the EU to develop a position on an alternative solution before December 10. He added, however, that it is important that the EU not "let on" that it foresees the Troika as failing so as not to undermine the current Troika process. He said that the EU will do its homework to prepare for how to proceed after December 10 "behind tightly closed doors." He noted that EU members differ on how best to proceed, but do agree that the EU must have a unified position. Schieb added that Germany agrees that an internationally-supervised independence is the best way forward unless the parties agree otherwise. The Council's published conclusions on October 15 will likely contain a statement supporting the Troika process. It will not, he said, discuss alternatives to this process should it fail.

¶5. (C) Schieb emphasized that Russia's role regarding Kosovo is "very difficult." He noted that French President Sarkozy's October 9-10 meetings with Russian President Putin did not result in any movement on Russia's part regarding Kosovo. He added that he had heard reports, however, that Russian FM Lavrov "signaled" in New York that UNSCR 1244 "could" provide a legal basis for the ESDP Rule of Law Mission. Schieb stressed the need for a solid legal basis before the EU could participate in the ESDP mission and noted that the EU is discussing this issue.

Russia

¶6. (C) Schieb showed Poloff a draft agenda for the October 26 EU-Russia Summit which included Kosovo, the Middle East, Iran, Afghanistan, Moldova, Central Asia, and internal developments within the EU and Russia. He said that it is likely the EU will convey its interest that the upcoming Russian elections be conducted according to internationally recognized standards. He said that Georgia will likely be discussed as well. Regarding an EU energy strategy, Schieb said that negotiations to renew the Partnership and Cooperation Agreement with Russia should have started during the course of Germany's EU presidency but did not and that they would likely begin again next year.

Israel-Palestinian Peace

¶7. (SBU) The Council's conclusions will include a statement on the importance of discussions between Palestinian Chairman Abbas and Israeli Prime Minister Olmert and that the EU looks forward to the international meeting scheduled in the U.S. in November.

Iraq

¶8. (C) Schieb said that he has seen a draft of the Council's finalized conclusions on Iraq and that they will not contain any surprises. He said that they include provisions noting EU support for an expanded UNAMI mandate, the Expanded Neighbors meeting in Istanbul, the work of SRSG Steffan di Mistura, and the International Compact with Iraq. The conclusions, according to Schieb, will confirm the EU's intention to provide the Iraqi government with "practical assistance" to further its efforts towards stability and security. It will include a provision calling on the Iraqi government to mitigate the refugee and IDP problem and offering EU support to achieve progress. It will call on neighboring countries to play a constructive role as well as appeal to the Iraqi government to make progress toward

national reconciliation.

Iran

¶ 9. (C) Ref C reports on Charg's discussion of Iran with State Secretary Silberberg October 12. Schieb told Polloff that Germany supports waiting for the IAEA's November report on Iran as well as that of EU foreign policy chief Javier Solana on his talks with Iran's chief nuclear negotiator Ali Larijani before deciding as to whether further UN sanctions against Iran are necessary and whether to pursue autonomous sanctions. Schieb said that supporting autonomous sanctions as proposed by the French could have a negative impact on the IAEA and Solana processes. The GAERC will likely discuss Iran on Monday, October 15, according to Schieb, and it is likely that the Council will task this issue to a committee which would then report back to the next GAERC in November, allowing time for the IAEA and Solana to issue reports.

Schieb said the Council will probably include a strong statement as part of its conclusions on October 15 referring back to the September 28 declaration in New York, supporting Solana's direction, and looking forward to the IAEA's report.

He said the statement will also likely note that the issue of "further measures," i.e. sanctions, is being tasked to a committee for further consideration.

Chad

¶ 10. (SBU) Schieb said that the ESDP/UN peacekeeping mission is ready for deployment as the EU PermReps in Brussels met October 11 and agreed on financing issues. He did not know exactly when the deployment would take place.

Burma

¶ 11. (C) The EU has had autonomous sanctions against Burma since 1996, Schieb said, adding that the EU is currently exploring other ways to put pressure on that country. Schieb said the Council will likely issue a statement that the EU will reinforce and strengthen its current sanctions on Burma.

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